

WHAT IS CLAIMED IS:

1. In a system for implementing a program having participants, said program permitting the participants to obtain products and/or services from authorized merchants who are part of the program and who are part of a credit/debit card network, which credit/debit card network also includes unauthorized merchants who are not part of the program and who are part of the credit/debit card network, each merchant having access via an input/output (I/O) port to a credit/debit card network, said system including a plurality of debit and/or credit cards, each having a unique account number corresponding to an account of the participant; the improvement comprising:

a. a filter interfacing with the credit/debit card network and accessing the following program data:

1. data identifying the authorized unique account numbers of the participants, and
2. data identifying the authorized merchants;

b. said filter including means, responsive to an initiating transaction based on an initiating account number, for transmitting from the credit/debit card network to the filter the following transaction data:

1. the account number of the card initiating the transaction,
2. merchant identification data of the merchant involved in the initiating transaction, and
3. data regarding the amount of the initiated transaction;

c. said filter including means for evaluating the transaction data transmitted to the filter by the

30 credit/debit card network by comparing the transaction data
to the program data;

d. said filter including means for generating
validating data for the transaction when the evaluated
transaction data indicates that the transaction involves an
35 authorized merchant using the unique account number of one of
the participants;

e. said filter evaluating means including means for
generating invalidating data for the transaction when the
evaluated transaction data indicates that the initiating
40 account number is not one of the authorized account numbers;

f. said filter evaluating means including means for
generating invalidating data for the transaction when the
evaluated transaction data indicates that the merchant
involved in the transaction is not one of the authorized
45 merchants; and

g. said filter including means for transmitting the
validating or invalidating data to the credit/debit card
network so that the credit/debit card network provides the
validating or invalidating data for the evaluated transaction
to the merchant involved in the transaction.

2. The filter of claim 1 wherein the amount of the
initiated transaction is in a currency denomination such as
dollars, wherein each account has a point value, wherein the
evaluating means converts the point value of the account
5 corresponding to the initiating account number into the
currency denomination of the amount of the initiating
transaction, and wherein the evaluating means generates the
validating data if the converted point value equals or
exceeds the amount of the initiating transaction.

3. The filter of claim 2 wherein said filter processor evaluating means comprises a banking processor.

4. The filter of claim 1 wherein the filter processor is maintained by a program administrator having a commission account and wherein the program administrator via an automated clearing house credits or deposits a transaction commission amount for each validated transaction to the commission account of the program administrator and debits or removes the transaction commission amount to an account of the merchant involved in the transaction.

5. The filter of claim 4 wherein the credit/debit card network processor deducts the commission amount credited to the merchant involved in the transaction from the merchant's proceeds from the validated transaction.

6. The filter of claim 1 wherein the cards include embossing relating to the program.

7. The filter of claim 1 wherein the cards are debit cards having a magnetic strip encoded with a number corresponding to the unique account number of the participant whereby the transaction is transparent to the merchants involved in the transactions such that the involved merchant cannot distinguish between transactions using debit cards and transactions using credit cards.

8. The filter of claim 7 wherein at least some merchants have a card reader adapted to be connected to the I/O port and wherein the initiating transaction is initiated by reading the magnetic strip of the card.

9. The filter of claim 1 wherein the filter processor generates redemption reports for each merchant indicating card transactions by participants and wherein the filter processor generates account reports for each participant in the program indicating transactions by such participant and indicating the amount of points in such participant's account.

10. The filter of claim 1 wherein the filter processor deletes from the program data authorized unique account numbers which have not initiated a transaction for a predetermined period of time.

11. The filter of claim 1 wherein the credit/debit card network processor comprises a merchant processor linked to a switch processor and wherein the filter processor comprises a banking processor linked to an administrator's processor.

12. The filter of claim 1 wherein the filter processor is maintained by a program administrator having a balance account and wherein, during a force post portion of the transaction, the filter processor debits a transaction amount for each validated transaction to the balance account of the program administrator and credits the transaction amount to an account of the merchant involved in the transaction.

13. The filter of claim 1 wherein the system includes only debit cards.

14. A filtering method for implementing a program having participants, said program permitting the participants to obtain products and/or services from authorized merchants

5 who are part of the program and who are part of a
credit/debit card network, which credit/debit card network
also includes unauthorized merchants who are not part of the
program and who are part of the credit/debit card network,
each merchant having access via an input/output (I/O) port to
a credit/debit card network, said filtering method comprising
10 the steps of:

- a. providing a plurality of cards, each assigned
to one participant and having a unique account
number corresponding to an account of the
participant;
- 15 b. accessing the following program data:
 - (1) data identifying the authorized unique
account numbers of the participants, and
 - (2) data identifying the authorized merchants;
- c. transmitting the following transaction data in
20 response to an initiating transaction based on an
initiating account number:
 - (1) the initiating account number of the card
initiating the transaction,
 - (2) merchant identification data of the
25 merchant involved in the transaction, and
 - (3) data regarding the amount of the initiated
transaction;
- d. comparing the transmitted transaction data to
the program data;
- 30 e. validating the transaction when the comparing
step indicates that the transaction involves an
authorized merchant using the unique account number
of a participant;

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f. invalidating the transaction when the comparing step indicates that the initiating account number is not one of the authorized account numbers; and
g. invalidating the transaction when the comparing step indicates that the merchant involved in the transaction is not one of the authorized merchants.

15. The filtering method of claim 14 wherein the steps of initiating, evaluating, validating and invalidating are performed electronically whereby the transaction is paperless.

16. The filtering method of claim 14 wherein the cards are only debit cards.

17. A system for implementing a program having participants, said program permitting the participants to obtain products and/or services from authorized merchants who are part of the program, said system for use with:

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a credit/debit card network which includes the authorized merchants who are part of the credit/debit card network and which also includes unauthorized merchants who are not part of the program and who are part of the credit/debit card network, each merchant having access via an input/output (I/O) port to a credit/debit card network; and

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a plurality of cards, each assigned to one participant and having a unique account number corresponding to an account of the participant;

said system comprising:

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a. a filter accessing the following program data:
(1) data identifying the authorized unique account numbers of the participants, and

20 (2) data identifying the authorized merchants;
said filter interfacing with the credit/debit card
network;

b. said filter responsive to an initiating
transaction based on an initiating account number
for transmitting from the credit/debit card network
to the filter the following transaction data:

- 25 (1) the initiating account number of the card
initiating the transaction,
(2) merchant identification data of the
merchant involved in the transaction, and
(3) data regarding the amount of the initiated
transaction;

c. said filter evaluating the transaction data
transmitted to the filter by the credit/debit card
network by comparing the transaction data to the
program data;

35 d. said filter generating validating data for the
transaction when the evaluated transaction data
indicates that the transaction involves an
authorized merchant using the unique account number
of one of the participants;

40 e. said filter generating invalidating data for
the transaction when the evaluated transaction data
indicates that the initiating account number is not
one of the authorized account numbers;

45 f. said filter generating invalidating data for
the transaction when the evaluated transaction data
indicates that the merchant involved in the
transaction is not one of the authorized merchants;
and

50 g. said filter transmitting the validating or
invalidating data to the credit/debit card network
so that the credit/debit card network provides the
validating or invalidating data for the evaluated
transaction to the merchant involved in the
transaction.

18. The filter of claim 17 wherein the cards are only
debit cards.

19. A filter for implementing a program having
participants, said program permitting the participants to
obtain products and/or services from authorized merchants who
are part of the program and who are part of a credit/debit
card network, which credit/debit card network also includes
unauthorized merchants who are not part of the program and
who are part of the credit/debit card network, each merchant
having access via an input/output (I/O) port to a
credit/debit card network, said filter for use with a
plurality of cards, each of the cards having a unique account
number corresponding to an account; said filter comprising:

a filter accessing the following program data:

- (1) data identifying the authorized unique
account number of each card, and
- (2) data identifying the authorized
merchants;

said filter interfacing with the credit/debit card
network;

said filter including means, responsive to an
initiating transaction based on an initiating account
number, for transmitting from the credit/debit card
network to the filter the following transaction data:

- (1) the initiating account number of the card initiating the transaction,
- (2) merchant identification data of the merchant involved in the transaction, and
- (3) data regarding the amount of the initiated transaction;

said filter including means for evaluating the transaction data transmitted to the filter by the credit/debit card network by comparing the transaction data to the program data;

said filter evaluating means including means for generating validating data for the transaction when the evaluated transaction data indicates that the transaction involves an authorized merchant using the unique account number of one of the cards;

said filter evaluating means including means for generating invalidating data for the transaction when the evaluated transaction data indicates that the initiating account number is not one of the authorized account numbers;

said filter evaluating means including means for generating invalidating data for the transaction when the evaluated transaction data indicates that the merchant involved in the transaction is not one of the authorized merchants; and

said filter including means for transmitting the validating or invalidating data to the credit/debit card network so that the credit card network provides the validating or invalidating data for the evaluated transaction to the merchant involved in the transaction.

20. The filter of claim 19 wherein the cards are only debit cards.

21. A filter for implementing a program having participants, said program permitting the participants to obtain products and/or services from authorized merchants who are part of the program and who are part of a credit/debit card network, which credit/debit card network also includes unauthorized merchants who are not part of the program and who are part of the credit/debit card network, each merchant having access via an input/output (I/O) port to a credit/debit card network, said filter for use with a plurality of cards, each of the cards having a unique account number corresponding to an account; said filter comprising:

a. a filter accessing the following program data:

- (1) data identifying the authorized unique account number of each card, and
- (2) data identifying the authorized merchants;

said filter interfacing with the credit/debit card network;

b. said filter responsive to an initiating transaction based on an initiating account number and transmitting from the credit/debit card network to the filter the following transaction data:

- (1) the initiating account number of the card initiating the transaction,
- (2) merchant identification data of the merchant involved in the transaction, and
- (3) data regarding the amount of the initiated transaction;

30 c. said filter evaluating the transaction data
transmitted to the filter by the credit/debit card
network by comparing the transaction data to the
program data;
d. said filter generating validating data for the
35 transaction when the evaluated transaction data
indicates that the transaction involves an
authorized merchant using the unique account number
of one of the cards;
e. said filter generating invalidating data for
40 the transaction when the evaluated transaction data
indicates that the initiating account number is not
one of the authorized account numbers;
f. said filter generating invalidating data for
45 the transaction when the evaluated transaction data
indicates that the merchant involved in the
transaction is not one of the authorized merchants;
and
g. said filter transmitting the validating or
invalidating data to the credit/debit card network
50 so that the credit card network provides the
validating or invalidating data for the evaluated
transaction to the merchant involved in the
transaction.

22. A filtering method for implementing a program
having participants, said program permitting the participants
to obtain products and/or services from authorized merchants
who are part of the program and who are part of a
5 credit/debit card network, which credit/debit card network
also includes unauthorized merchants who are not part of the
program and who are part of the credit/debit card network,

each merchant having access via an input/output (I/O) port to a credit/debit card network, said filtering method comprising the steps of:

- a. providing a plurality of cards, each assigned to one participant and having a unique account number corresponding to an account of the participant;
- b. accessing the following program data:
 - (1) data identifying the authorized unique account numbers of the participants, and
 - (2) data identifying the authorized merchants;
- c. transmitting the following transaction data in response to a transaction based on an initiating account number:
 - (1) the initiating account number of the card initiating the transaction,
 - (2) merchant identification data of the merchant involved in the transaction, and
 - (3) data regarding the amount of the initiated transaction;
- d. comparing the transmitted transaction data to the program data;
- e. validating the transaction when the comparing step indicates that the transaction involves an authorized merchant using the unique account number of a participant;
- f. invalidating the transaction when the comparing step indicates that the initiating account number is not one of the authorized account numbers; and
- g. invalidating the transaction when the comparing step indicates that the merchant involved in the transaction is not one of the authorized merchants.

23. A system for implementing a program for a customer having participants, said program permitting the participants to obtain products and/or services from authorized merchants who are part of the program and who are part of a credit/debit card network, which credit/debit card network also includes unauthorized merchants who are not part of the program and who are part of the credit/debit card network, each merchant having access via an input/output (I/O) port to a credit/debit card network, said system comprising:

- a. a plurality of cards, each assigned to one participant and having a unique account number corresponding to an account of the participant;
- b. a filter accessing the following program data:
 - (1) data identifying the authorized unique account numbers of the participants, and
 - (2) data identifying the authorized merchants;said filter interfacing with the credit/debit card network;
- c. means, responsive to an initiating transaction based on an initiating account number, for transmitting from the credit/debit card network to the filter the following transaction data:
 - (1) the initiating account number of the card initiating the transaction,
 - (2) merchant identification data of the merchant involved in the transaction, and
 - (3) data regarding the amount of the initiated transaction;
- d. said filter including means for evaluating the transaction data transmitted to the filter by the credit/debit card network by comparing the transaction data to the program data;

35 e. said filter evaluating means including means
for generating validating data for the transaction
when the evaluated transaction data indicates that
the transaction involves an authorized merchant
using the unique account number of one of the
participants;

40 f. said filter evaluating means including means
for generating invalidating data for the
transaction when the evaluated transaction data
indicates that the initiating account number is not
one of the authorized account numbers;

45 g. said filter evaluating means including means
for generating invalidating data for the
transaction when the evaluated transaction data
indicates that the merchant involved in the
transaction is not one of the authorized merchants;
and

50 h. said filter including means for transmitting
the validating or invalidating data to the
credit/debit card network so that the credit/debit
card network provides the validating or
invalidating data for the evaluated transaction to
55 the merchant involved in the transaction.

24. The system of claim 23 wherein the cards consist of
debit cards only.

25. The system of claim 23 wherein the program
comprises an incentive award program.

26. A method for implementing a program for a customer
having participants, said program permitting the participants

to obtain products and/or services from authorized merchants
who are part of the program and who are part of a
5 credit/debit card network, which credit/debit card network
also includes unauthorized merchants who are not part of the
program and who are part of the credit/debit card network,
each merchant having access via an input/output (I/O) port to
a credit/debit card network, said method comprising the steps
10 of:

- a. providing a plurality of cards, each assigned
to one participant and having a unique account
number corresponding to an account of the
participant;
- 5 b. accessing the following program data:
 - (1) data identifying the authorized unique
account numbers of the participants, and
 - (2) data identifying the authorized merchants;
- c. transmitting the following transaction data in
20 response to an initiating transaction based on an
initiating account number:
 - (1) the initiating account number of the card
initiating the transaction,
 - (2) merchant identification data of the
25 merchant involved in the transaction, and
 - (3) data regarding the amount of the initiated
transaction;
- d. comparing the transmitted transaction data to
the program data;
- 30 e. validating the transaction when the comparing
step indicates that the transaction involves an
authorized merchant using the unique account number
of a participant;

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f. invalidating the transaction when the comparing step indicates that the initiating account number is not one of the authorized account numbers; and
g. invalidating the transaction when the comparing step indicates that the merchant involved in the transaction is not one of the authorized merchants.

27. The method of claim 26 wherein the cards consist of debit cards only.

28. The method of claim 26 wherein the program comprises an incentive award program.